

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

A280.3449
C39
Reserve

MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
FEBRUARY 1960

Volume 4

Number 7

Released Pursuant to §1000.27 (j) and §1000.85, USDA-AMS
Federal Order No. 100, 3756 Ringgold Rd., Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

MARKET SUMMARY FEBRUARY 1960

The Chattanooga Order Minimum uniform producer price is \$4.96 per cwt. f.o.b. pool plants for milk containing 4.0% butterfat. The producer butterfat differential is 7.2 cents for each one-tenth of one percent above or below 4.0 percent.

During February 87.4% of the total producer milk was priced in Class I at \$5.26 per cwt. with a butterfat differential of 7.5 cents and 12.6% was priced in Class II at \$3.21 per cwt. with a butterfat differential of 6.7 cents. The percent of producer skim and butterfat priced in Class I was 88.1% and 71.7% respectively.

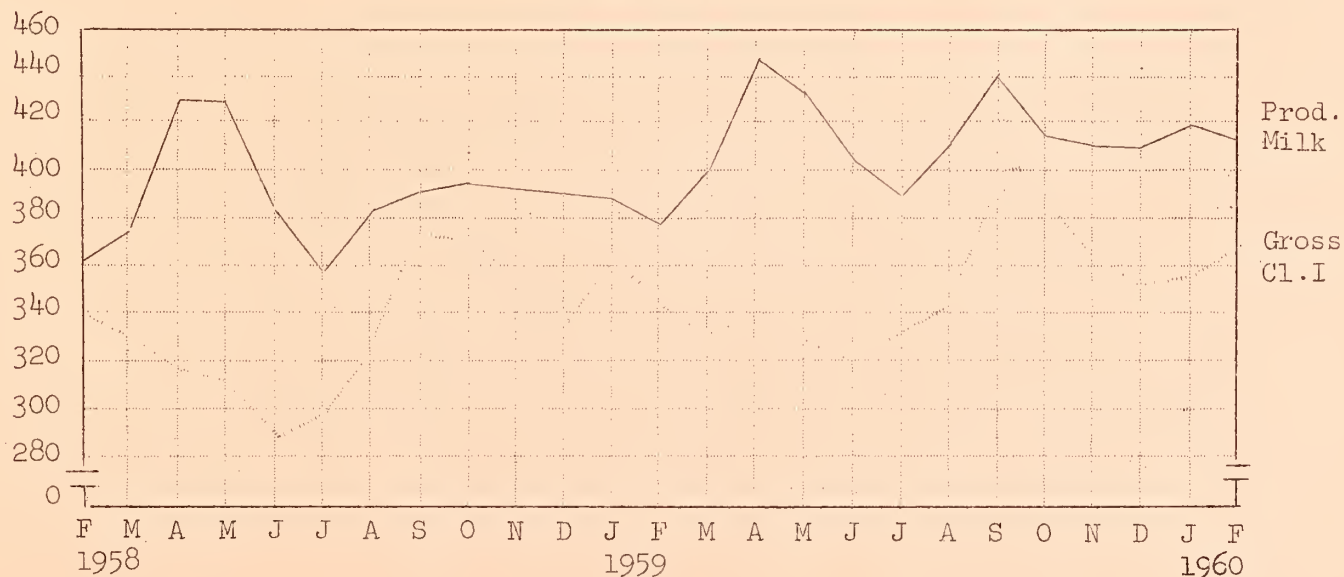
The daily average delivery of producer milk during February decreased 1.5% compared with January and increased 8.8% compared with February 1959. The daily average use of Class I milk increased 2.7% compared with January and increased 7.4% compared with February 1959.

MILK SAMPLES TESTED - Composite 148, Fresh 5,565, Finished Products 191.

PRODUCER ANNOUNCED BASES - FOUR YEARS COMPARISON

Base Range Pounds	1960 Number of Producers	1959	1958	1957	Base Range Pounds	1960 Number of Producers	1959	1958	1957
0- 99	10	22	24	28	700- 799	43	57	55	34
100-199	46	68	85	105	800- 899	39	27	31	26
200-299	104	138	147	165	900- 999	28	28	18	15
300-399	115	118	143	129	1000-1499	60	46	38	32
400-499	85	102	116	106	1500-1999	20	10	9	8
500-599	78	84	85	77	Over-2000	7	8	6	5
600-699	71	50	44	66	Total Prod.	706	758	801	796

DAILY AVERAGE PRODUCER RECEIPTS COMPARED TO GROSS CLASS I UTILIZATION
(1000 pounds per day)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Feb. '60</u>	<u>Jan. '60</u>	<u>Feb. '59</u>
Number of Plants (Pool and Non-Pool)	19	19	20
GROSS RECEIPTS (DAILY AVERAGE)			
Producer Milk - Cans	79,314	83,728	164,411
Producer Milk - Bulk Tank	332,497	334,296	214,166
Total Producer Milk Pounds	411,811	418,024	378,577
% February '60 compared with:	100.0	98.5	108.8
Other Source Milk Pounds	12,183	5,947	11,145
Other Order Milk Pounds	4,190	4,096	26,316
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>428,184</u>	<u>428,067</u>	<u>416,038</u>
% February '60 compared with:	100.0	100.0	102.9
GROSS UTILIZATION (DAILY AVERAGE)			
Class I Milk Pounds:			
Fluid Milk	301,394	294,610	286,486
Buttermilk	40,709	39,801	37,443
Chocolate Milk	7,042	6,733	6,362
Fluid Skim	11,687	10,761	7,450
Fluid Creams	2,339	2,267	2,141
Bulk to Non-Handlers	942	2,386	1,402
Class I. Shrinkage	3,207	1,430	1,192
Inventory Reclassification	(823)	(1,270)	(1,309)
Overstated Sales	-	(16)	-
Total Class I Milk	366,497	356,702	341,167
% February '60 compared with:	100.0	102.7	107.4
Class II Milk Pounds (Used to Produce)			
Butter	5,815	4,685	3,273
Cottage Cheese	13,861	11,829	13,177
Powdered and Condensed Milk	21,506	23,372	25,026
Ice Cream	13,738	12,062	21,964
Inventory Variation	(2,069)	9,491	618
Other	8,836	9,926	10,813
Total Class II Milk	61,687	71,365	74,871
% February '60 compared with:	100.0	86.4	82.4
<u>TOTAL UTILIZATION CL. I AND CL. II MILK LBS.</u>	<u>428,184</u>	<u>428,067</u>	<u>416,038</u>
Gross Cl. I Packaged Units-Pounds (Daily)	363,171	354,172	339,882
% February '60 compared with:	100.0	102.5	106.9
% Producer Milk of Gross Class I	112.4	117.2	111.0
% Producer Milk Priced in Class I	87.4	84.4	82.1

NUMBER OF FARM PAYROLL ACCOUNTS

	1959											1960	
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Can	413	400	390	362	343	311	264	246	218	203	198	185	178
Tank	342	349	353	380	395	418	478	486	503	513	515	528	526
TOTAL	755	749	743	742	738	729	742	732	721	716	713	713	704
New	0	2	2	1	0	0	20	5	4	2	3	5	0
Quit	6	8	8	2	4	9	7	15	15	7	6	5	9

ANNOUNCED 1960 PRODUCER BASES

The average daily bases that producers established during the months of Sept. 1959 thru Jan. 1960 were announced by the Market Administrator on Feb. 25, 1960. If any producer who established a base did not receive a base notice, he should contact the office of the Market Administrator. All Chattanooga area producers will receive settlement for their milk at a Base price and an Excess price during the months of March thru July, 1960.

MARCH 1960 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Mar. '60	Feb. '60	Mar. '59
Basic Formula (See page 4)	\$3.48	\$3.51	\$3.42
Plus (\$ 1000.51 (a)(1))	1.75	1.75	1.75
Supply-Demand Adjustment	0.02	0.00	0.04
Class I Price, 4.0% Butterfat	\$5.25	\$5.26	\$5.21

Per \$ 1000.51 (a)

Supply-Demand Comparison: 1st and 2nd preceding months: January and February

Supply: Lbs. Producer Milk (Jan. 12,958,758 and Feb. 11,942,528) 24,901,286

Demand: Lbs. Net Class I Milk (Jan. 10,983,109 and Feb. 10,542,442) 21,525,551

Utilization Percentage: Producer milk divided by Class I 116

Standard Utilization Percentage: Range 117-121 117

Net Deviation Percentage: Utilization minus Standard Utilization 1

Supply-Demand Adjustment: 2 cents x 1 percentage points \$0.02

Since the supply in relation to the demand is less than the desired standard, the price is increased 2 cents per hundredweight (2 cents x 1 percentage point).

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR FEBRUARY 1960

Based on 19 Plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test-%	Cwt. Price @ Test	Value
Gross Class I		10,628,401	3.585		
Less Other Source		189,146	2.684		
Producer Milk Class I	87.4	10,439,255	3.601109	\$4.960832	\$517,873.90
Gross Class II		1,788,935	8.657		
Less Other Source		285,662	2.147		
Producer Milk Class II	12.6	1,503,273	9.894078	7.159032	107,619.80
TOTAL PROD. (CL. I + CL. II)	100.0	11,942,528	4.393241		625,493.70
Add Fractional Adjustment					.04
Add Compensatory Payment Value		81,041		0.30	243.12
Add Overage Value					13.51
Add Inventory Reclassification Value					276.74
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					5,190.38
TOTAL VALUE AT TEST		11,942,528	4.393241		631,217.49
Less Test Over 4% @ 7.2¢ per point		11,942,528	.393241	0.283134	33,813.36
TOTAL VALUE AT 4.0%		11,942,528	4.0	5.002326	597,404.13
Less Producer-Settlement Fund Reserve		11,942,528		.042326	5,054.79
UNIFORM PRICE f.o.b. POOL PLANT		11,942,528	4.0	\$4.96	\$592,349.34

FEBRUARY 1960 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT

BUTTERFAT DIFFERENTIAL 7.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0%	\$4.24	3.6%	\$4.672	4.2%	\$5.104	4.8%	\$5.536	5.4%	\$5.968
3.05	4.276	3.65	4.708	4.25	5.14	4.85	5.572	5.45	6.004
3.1	4.312	3.7	4.744	4.3	5.176	4.9	5.608	5.5	6.04
3.15	4.348	3.75	4.78	4.35	5.212	4.95	5.644	5.55	6.076
3.2	4.384	3.8	4.816	4.4	5.248	5.0	5.68	5.6	6.112
3.25	4.42	3.85	4.852	4.45	5.284	5.05	5.716	5.65	6.148
3.3	4.456	3.9	4.888	4.5	5.32	5.1	5.752	5.7	6.184
3.35	4.492	3.95	4.924	4.55	5.356	5.15	5.788	5.75	6.22
3.4	4.528	4.0	4.96	4.6	5.392	5.2	5.824	5.8	6.256
3.45	4.564	4.05	4.996	4.65	5.428	5.25	5.86	5.85	6.292
3.5	4.60	4.1	5.032	4.7	5.464	5.3	5.896	5.9	6.328
3.55	4.636	4.15	5.068	4.75	5.50	5.35	5.932	5.95	6.364

SUMMARY OF CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
Feb. '59	\$4.79	-	-	7.2¢	\$5.18	7.5¢	\$3.21	6.6¢
Mar.	4.67 ^{2/}	\$4.82	\$3.11	7.2	5.21	7.5	3.15	6.6
Apr.	4.49 ^{2/}	4.74	3.04	7.2	5.12	7.5	3.08	6.7
May	4.36 ^{2/}	4.59	2.99	7.2	4.97	7.5	3.03	6.7
June	4.46 ^{2/}	4.67	2.99	7.2	5.05	7.5	3.03	6.7
July	4.61 ^{2/}	4.83	2.99	7.2	5.10	7.5	3.03	6.7
Aug.	4.58	-	-	7.4	5.10	7.5	3.04	6.9
Sept.	4.77	-	-	7.6	5.04	7.8	3.57	7.2
Oct.	4.94	-	-	8.0	5.14	8.2	3.59	7.2
Nov.	5.08	-	-	7.8	5.36	8.1	3.67	7.4
Dec.	5.12	-	-	8.0	5.48	8.3	3.57	7.1
Jan. '60	4.96	-	-	7.6	5.34	8.0	3.38	6.7
Feb.	4.96	-	-	7.2	5.26	7.5	3.21	6.7
Mar.	-	-	-	-	5.25	7.5	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest
	Mid-West	Chi. 92 ⁰	Chi. Area	Wisc.	Mid-West	Butter	Butter	4 Tenn.	or Basic
	Cond. \$-cwt-3.5%	Butter ¢ Lb.	Powders ¢ Lb.	Cheese ¢ Lb.	Cond.	Cheese	Powder	Milk Mfg.	Formula \$-cwt-4%
Feb. '59	3.060	57.743	12.695	31.750	3.42	3.14	3.33	3.21	3.42
Mar.	3.014	57.750	12.750	31.750	3.37	3.14	3.33	3.15	3.37
Apr.	2.952	57.840	12.615	31.596	3.31	3.14	3.34	3.08	3.34
May	2.918	57.905	12.800	31.100	3.28	3.14	3.34	3.03	3.34
June	2.908	57.974	12.600	31.000	3.27	3.14	3.35	3.03	3.35
July	2.933	58.026	12.645	31.100	3.29	3.14	3.35	3.03	3.35
Aug.	2.965	60.190	12.820	31.531	3.34	3.24	3.45	3.04	3.45
Sept.	3.013	62.730	12.890	31.692	3.39	3.36	3.57	3.10	3.57
Oct.	3.098	62.360	13.070	31.875	3.50	3.35	3.59	3.13	3.59
Nov.	3.146	63.930	13.025	33.688	3.54	3.45	3.67	3.18	3.67
Dec.	3.154	61.870	13.190	34.750	3.55	3.38	3.57	3.20	3.57
Jan. '60	3.128	57.962	13.250	34.750	3.51	3.20	3.38	3.21	3.51
Feb.	3.119	57.976	13.205	34.750	3.48	3.20	3.38	3.21	3.48

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS MILK POUNDS 3/					Number		Deliveries Per			Prod.
	Gross	Prod.	Prod.	Base	Gross	of		Farm -- Pounds			Milk
	Cl. I	Cl. I	Repts.	Repts.	Repts.	Hdlr.Prod.		Prod.	Base	Exc.	Test
											%
Feb. '59	341,167	310,878	378,577	-	416,038	20	755	501	-	-	4.32
Mar.	332,496	301,741	399,902	365,270	434,768	20	749	534	488	46	4.27
Apr.	341,167	310,039	443,890	376,828	480,157	19	743	597	507	90	4.15
May	329,182	299,433	433,519	370,297	469,576	19	742	584	499	85	4.12
June	320,140	290,413	404,243	354,261	440,588	19	738	548	480	68	4.11
July	331,541	301,520	390,727	343,678	427,610	19	729	536	471	65	4.10
Aug.	342,026	311,661	411,167	-	447,707	19	742	554	-	-	4.07
Sept.	393,150	362,439	438,703	-	475,704	19	732	599	-	-	4.13
Oct.	386,834	374,206	415,133	-	436,128	19	721	576	-	-	4.30
Nov.	361,367	350,101	411,180	-	430,087	19	716	574	-	-	4.46
Dec.	353,291	348,611	409,092	-	424,180	19	713	574	-	-	4.45
Jan. '60	356,702	352,740	418,024	-	428,067	19	713	586	-	-	4.41
Feb.	366,497	359,974	411,811	-	428,184	19	704	585	-	-	4.39

^{1/} Excludes Premiums^{2/} For statistics only^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I; Excess is Producer minus Base